

WILLMAR CITY COUNCIL PROCEEDINGS
BOARD ROOM
HEALTH AND HUMAN SERVICES BUILDING
WILLMAR, MINNESOTA

July 18, 2022
6:30 p.m.

The regular meeting of the Willmar City Council was called to order by the Mayor Marv Calvin. Members present on a roll call were Mayor Marv Calvin, Council Members Rick Fagerlie, Julie Asmus, Thomas Butterfield, Michael O'Brien, Justin Ask, Vicki Davis, Andrew Plowman, and Audrey Nelsen. Present 9, Absent 0.

Also present were City Administrator Leslie Valiant, City Operations Director Kyle Box, Police Chief Jim Felt, Fire Chief Frank Hanson, Public Works Director Gary Manzer, Planning and Development Services Director Justice Walker, Finance Director Steve Okins, Parks and Recreation Director Rob Baumgarn and City Attorney Robert Scott.

There were no additions or deletions to the agenda.

Council Member Fagerlie moved to approve the agenda as presented. Council Member Nelsen seconded the motion, which carried unanimously.

Operations Director Kyle Box reviewed the consent agenda.

Approve:	A. City Council Minutes of July 5, 2022
	B. Willmar Municipal Utilities Commission Minutes of July 11, 2022
	C. Planning Commission Minutes of June 15, 2022
	D. Accounts Payable Report for June 25 through July 13, 2022
	E. Application for Exempt Permit – Pennock Lions Club
	F. Temporary On-Sale Liquor License – Kandiyohi County Fair Association
	G. Temporary On-Sale Liquor License – Foxhole Brewhouse
	H. Resolution # 2022-106 - Airport Grant Agreement for Replacement of AWOS
Accept:	I. Building Report for the Month of June 2022
Information:	J. Finance Reports
	K. Housing Task Force Minutes of June 16, 2022

Council Member Fagerlie offered a motion to approve the consent agenda. Council Member Asmus asked that Item B. be pulled for discussion. Council Member Plowman seconded the motion to approve the consent agenda items, with the exception of Item B., which carried on a roll call vote of Ayes 8, Noes 0.

Council Member Asmus noted in the Municipal Utilities Commission minutes mention of a forthcoming Labor Committee agenda item to include new logo. She inquired if their current logo is the same as the City. City Administrator Valiant explained it is different from the City's logo. Council Member Asmus then offered a motion to approve Item B. Council Member Fagerlie seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Monica Villars was present to address the Council during Open Forum. She lives on 2nd Street SE and brought forth issues resulting from the street reconstruction and her support for constructing it as a one-way street.

At 6:38 p.m. Mayor Calvin opened the public hearing for amending zoning ordinance allowing to rezone Lot 4 of Rockstep Plaza Second Addition from Shopping Center to General Business. Planning and Development Services Director Walker presented the pertinent information to the Mayor and Council. The rezone would allow the outparcel to be developed into a Slim Chicken.

There being no one to speak for or against the proposed ordinance, Mayor Calvin closed the public hearing at 6:41 p.m. and opened it up for discussion by the Council. Council Member Nelsen asked for clarification on the responsibility of ingress and egress to the lot as it pertains to the entire parking lot and barriers created to prevent cross traffic. Planning and Development Services Director Walker stated design

will be reviewed as a whole for each developing project as it fits into the entire fabric of plans for all outparcels. Following discussion, Council Member Fagerlie offered a motion to adopt, assign a number, and publish **Ordinance No. 1481 An Ordinance Amending Willmar Ordinance 1060 Known as the Willmar Zoning Ordinance by Rezone of Lot 4 of Rockstep Plaza Second Addition.** Council Member Asmus seconded the motion.

Doug Green of Baker Tilly presented the information related to the sale of \$5,560,000 General Obligation Improvement Bonds, Series 2022A. Competitive bids were received this morning and presented to the Council for its consideration. He identified the funding sources to finance the 2022 projects. Three bids were received with the low being Northland Securities, Inc. at 3.1024%. The difference in amortization from 10 to 15 years repayment reduced the levy by approximately \$100,000 per year.

Council Member Plowman introduced **Resolution No. 2022-107 Awarding the Sale of \$5,560,000 General Obligation Improvements Bonds, Series 2022A and Directing the Execution and Delivery Providing for Payment.** Council Member Davis seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Parks and Recreation Director Baumgarn presented the information related to the lease agreement with Studio 38 LLC for a country music festival to be held at Robbins Island on September 10, 2022. In May Steve Peppin approached the City Council in regard to holding a country music festival and at that time Council approved the concept and to work with staff to develop an agreement. Mr. Baumgarn reviewed the financial stipulations of the lease agreement. Since that time, Mr. Pepin filed for Mayoral candidacy resulting in an issue of the event being titled "Pep Fest." City Attorney Scott has advised the name be changed so as not to be correlated after any living person.

Council Member Fagerlie made a motion to approve the lease agreement for Studio 38, LLC to be held at Robbins Island on September 10, 2022. Discussion followed related to the name change and the event being conducted on a nonpolitical basis. Public access to the park and the boat landing during the event were clarified.

Council Member Ask offered an amendment to the financial portion of the lease agreement to change the financial agreement in Paragraph 7 so there would be a flat fee for the day of \$10,000 in addition to reimbursement to the city for staff time and city costs, a damage deposit and \$1.00 per ticket charge. Motion was seconded by Council Member O'Brien. Following discussion the motion failed with three ayes and five noes. Council Members Asmus, Butterfield, Davis, Plowman and Nelson cast the five "no" votes.

Discussion continued on the original motion. As drafted, the lease moved for approval requires the name to change. Steve Pepin approached the council to address his concerns. Attorney Scott reiterated the name change issue and discussion continued until Mayor Calvin called a recess at 7:47 p.m.

At 8:00 p.m. Mayor Calvin called the meeting back to order. He addressed Mr. Pepin asking his consideration for the name change, to which he prefers to keep it "Pep Fest." Mayor Calvin called for the vote on the resolution to approve the lease agreement with Studio 38, LLC at Robbins Island on September 10, 2022 with a name change. Following a brief discussion, Council Member Fagerlie introduced **Resolution No. 2022-108 Approving Lease Agreement with Studio 38 LLC for Country Music Festival.** Council Member Asmus seconded the motion which carried with six ayes and two noes. The "no" votes were cast by Council Members Ask and Davis.

City Attorney Robert Scott presented the information related to an Emergency Ordinance to Enact a Moratorium for the Sale of TCH Products. This ordinance was prepared in response to a change in state statute that allows for the sale of edible products that contain up to three percent THC. This emergency ordinance can take affect almost immediately and last for sixty days to allow time to craft a more specific licensing program.

Following discussion, Council Member Fagerlie offered a motion to adopt, assign a number, and publish **Ordinance No. 1482 An Emergency Ordinance Temporarily Regulating the Sale of THC Products in the City of Willmar**. Council Member Nelsen seconded the motion which carried on a roll call vote of Ayes 8, Noes 0.

Due to the length and cost of publishing entire ordinance, Council Member Fagerlie offered a motion to publish the Emergency Ordinance Temporarily Regulating the Sale of THC Products by summary. Council Member Nelsen seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Police Chief Jim Felt presented the agreement with the Willmar School District for School Resource Officers. The proposed lease renews for two years with two percent the first year and three percent for the following year. These costs cover wages and benefits during school hours.

Council Member Fagerlie introduced **Resolution No. 2022-109 Execute Agreement with Willmar School District for School Resource Officers**. Council Member Asmus seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Planning and Development Services Director Walker presented a request to approve the committee members to review the Broadband RFP comprised of two Council Members, four staff members and two citizens with expertise in the area.

Following discussion, Council Member Fagerlie offered a motion to approve staff's request. Council Member Asmus seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Finance Director Okins presented the proposed Budget Calendar for 2023 for approval. Council Member Fagerlie offered a motion to approve the calendar as presented. Council Member Nelsen seconded the motion, which carried on a roll call vote of Ayes 8, Noes 0.

Council Member Fagerlie thanked the Public Works and Recreation Department for their efforts in getting the fountain operating at Baker Field – look nice.

Mayor Calvin reported on the League of MN Cities conference in Duluth, MN. He commented on a couple housing projects taking place in the state. Council Member Nelsen was elected to the LMC Board and congratulated her.

At 8:26 p.m., Council Member Fagerlie made a motion, Seconded by Council Member Asmus to move into closed session pursuant to 13D.05, sub c. The motion Carried.

At 8:57 p.m., the Council returned to open session.

Council Member Fagerlie offered a motion to adjourn the meeting with Council Member Asmus seconding the motion, which carried. The meeting adjourned at 9:04 p.m.

/s/ Marv Calvin
MAYOR

Attest:

/s/ Kyle Box
SECRETARY TO THE COUNCIL

RESOLUTION NO. 106

RESOLUTION AUTHORIZING EXECUTION OF

**MINNESOTA DEPARTMENT OF TRANSPORTATION
GRANT AGREEMENT FOR AIRPORT IMPROVEMENT EXCLUDING LAND ACQUISITION**

Motion By: Fagerlie

Second By: Plowman

BE IT RESOLVED by the City Council of the City of Willmar as follows:

1. That the State of Minnesota Agreement No. 1049799 "Grant Agreement for Airport Improvement Excluding Land Acquisition," for State Project No. A3401-71 at the Willmar Municipal Airport is accepted.
2. That the Mayor and City Administrator are authorized to execute this agreement and any amendments on behalf of the City of Willmar.

Dated this 18th day of July, 2022

/s/ Marv Calvin
MAYOR

Attest:

/s/ Leslie Valiant
CITY ADMINISTRATOR

RESOLUTION NO. 2022-107

**AWARDING THE SALE OF \$5,560,000 GENERAL
OBLIGATION IMPROVEMENT BONDS, SERIES 2022A**

Motion By: Plowman

Second By: Davis

BE IT RESOLVED By the City Council of the City of Willmar, Kandiyohi County, Minnesota (the "City") as follows:

Section 1. Background.

1.01 The City is authorized by Minnesota Statutes, Chapters 429 and Minnesota Statutes, Chapter 475, as amended (collectively, the "Act") to provide financing for various public improvement projects in the City, including without limitation street and related public improvement projects included in the 2022 Improvement Projects (the "Improvements").

1.02 The City is authorized by Minnesota Statutes, Section 475.60, subdivision 2(9) to negotiate the sale of the Bonds, it being determined that the City has retained an independent municipal advisor in connection with such sale. The actions of the City staff and the City's municipal advisor in negotiating the sale of the Bonds are ratified and confirmed in all aspects.

Section 2. Sale of Bonds.

2.01 Authorization. It is hereby determined that it is necessary to provide financing for the Improvements and to finance those improvements through the issuance of the City's \$5,560,000 General Obligation Improvement Bonds, Series 2022A (the "Bonds").

2.02. Award to the Purchaser and Interest Rates. The proposal of Northland Securities, Inc., Minneapolis, Minnesota (the "Purchaser") to purchase the Bonds of the City described in the Terms of Proposal thereof is hereby found and determined to be a reasonable offer and is hereby accepted, the proposal being to purchase the Bonds at a price of \$5,645,866.65 (par amount of \$5,560,000, plus a premium of \$157,119.35, less an underwriter's discount of \$71,252.70), for Bonds bearing interest as follows:

<u>Year of Maturity</u>	<u>Interest Rate</u>	<u>Year of Maturity</u>	<u>Interest Rate</u>
2024	3.00%	2032	3.00%
2025	3.00	2033	3.00
2026	4.00	2034	3.00
2027	3.00	2035	3.10
2028	4.00	2036	3.20
2029	3.00	2037	3.30
2030	4.00	2038	3.40
2031	4.00		

2.03. Purchase Contract. Any amount paid by the Purchaser over the minimum purchase price shall be credited to the Debt Service Fund hereinafter created, or deposited in the accounts in the Construction Fund hereinafter created, as determined by the City Finance Director upon consultation with the City's municipal advisor. The City Finance Director is directed to retain the good faith check of the Purchaser, pending completion of the sale of the Bonds. The Mayor and City Administrator are authorized to execute a contract with the Purchaser on behalf of the City, if requested by the Purchaser.

2

2.04. Terms and Principal Amount of Bonds. The City will forthwith issue and sell the Bonds pursuant to Act, in the total principal amount of \$5,560,000, originally dated the date of delivery, in fully registered form in denominations of \$5,000 each or any integral multiple thereof, numbered No. R-1 and upward, bearing interest as above set forth, and maturing serially on February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2024	\$210,000	2032	\$385,000
2025	305,000	2033	400,000
2026	315,000	2034	410,000
2027	325,000	2035	425,000
2028	335,000	2036	440,000
2029	345,000	2037	460,000
2030	360,000	2038	475,000
2031	370,000		

As may be requested by the Purchaser, one or more term Bonds may be issued having mandatory sinking fund redemption and final maturity amounts conforming to the foregoing principal repayment schedule, and corresponding additions may be made to the provisions of the applicable Bond(s).

2.05. Optional Redemption. The City may elect on February 1, 2031, and on any day thereafter to prepay Bonds maturing on or after February 1, 2032. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC (as defined in Section 7 hereof) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

Section 3. Registration and Payment.

3.01. Registered Form. The Bonds will be issued only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof is payable by check or draft issued by the Registrar described herein.

3.02. Dates: Interest Payment Dates. Each Bond will be dated as of the last interest payment date preceding the date of authentication to which interest on the Bond has been paid or made available for

payment, unless (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case the Bond will be dated as of the date of authentication, or (ii) the date of authentication is prior to the first interest payment date, in which case the Bond will be dated as of the date of original issue. The interest on the Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2023, to the registered owners thereof of record as of the close of business on the 15th day of the immediately preceding month, whether or not that day is a business day.

3.03. Registration. The City will appoint, and will maintain, a bond registrar, transfer agent, authenticating agent and paying agent (the "Registrar"). The effect of registration and the rights and duties of the City and the Registrar with respect thereto are as follows:

(a) Register. The Registrar will keep at its principal corporate trust office a bond register in which the Registrar provides for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender for transfer of a Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar will authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the 15th day of the month preceding each interest payment date and until that interest payment date.

(c) Exchange of Bonds. Whenever any Bonds are surrendered by the registered owner for exchange the Registrar will authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. All Bonds surrendered upon any transfer or exchange will be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When a Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Bond until the Registrar is satisfied that the endorsement on the Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar will incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name a Bond is at any time registered, as of the applicable record date, in the bond register as the absolute owner of such Bond, whether the Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Bond and for all other purposes, and payments so made to a registered owner or upon the owner's order will be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. The Registrar may impose a charge upon the owner thereof for a transfer or exchange of Bonds, sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. If a Bond becomes mutilated or is destroyed, stolen or lost, the Registrar will deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for any Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to the Registrar that the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance and amount satisfactory to the Registrar and as

provided by law, in which both the City and the Registrar must be named as obligees. Bonds so surrendered to the Registrar will be cancelled by the Registrar and evidence of such cancellation must be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it is not necessary to issue a new Bond prior to payment.

(i) Redemption. In the event any of the Bonds are called for redemption, written notice thereof identifying the Bonds to be redeemed will be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) at least 30 days prior to the redemption date to the registered owner of each Bond to be redeemed at the address shown on the registration books kept by the Registrar and by publishing the notice if required by law. Failure to give notice by publication or by mail to any registered owner, or any defect therein, will not affect the validity of the proceedings for the redemption of Bonds. Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

3.04. Appointment of Initial Registrar. The City appoints U.S. Bank Trust Company, National Association, St. Paul, Minnesota, as the initial Registrar. The Mayor and the City Administrator are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, the resulting corporation is authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar upon 30 days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar must deliver all cash and Bonds in its possession to the successor Registrar and deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of this Council, the City Finance Director must transmit to the Registrar moneys sufficient for the payment of all principal and interest then due.

3.05. Execution, Authentication and Delivery. The Bonds will be prepared under the direction of the City Finance Director and executed on behalf of the City by the signatures of the Mayor and the City Administrator, provided that all signatures may be printed, engraved or lithographed facsimiles of the originals. If an officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be such officer before the delivery of any Bond, that signature or facsimile will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Bond will not be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on a Bond is conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been so prepared, executed and authenticated, the City Administrator will deliver the same to the Purchaser thereof upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser is not obligated to see to the application of the purchase price.

3.06. Form of Bond. The Bonds will be printed or typewritten in substantially the form set forth in **Exhibit B** attached hereto.

3.07. Approving Legal Opinion. The City Administrator is authorized and directed to obtain a copy of the proposed approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota, which will be complete except as to dating thereof and to cause the opinion to be printed on or accompany each Bond.

Section 4. Funds and Accounts; Security; Payment.

4.01. (a) Debt Service Fund. For the convenience and proper administration of the moneys to be borrowed and repaid on the Bonds and to provide adequate and specific security for the Purchaser and holders from time to time of the Bonds, there is hereby created a special fund to be designated the General Obligation Improvement Bonds, Series 2022A Debt Service Fund (the "Debt Service Fund"). The Debt Service Fund shall be administered and maintained by the Finance Director as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. Amounts in the Debt Service Fund are irrevocably

pledged to the Bonds. To the Debt Service Fund hereby created, there is hereby pledged and irrevocably appropriated and there will be credited: (A) the proceeds of ad valorem property taxes herein or hereafter levied (the "Taxes"), and, subject to 4.02, the special assessments levied or to be levied against the property specially benefited by the Improvements (the "Assessments"); (B) capitalized interest financed from Bond proceeds, if any; (C) the amount over the minimum purchase price paid by the Purchaser, to the extent designated for deposit in the Debt Service Fund in accordance with Section 2.03 hereof; and (D) all investment earnings on funds in the Debt Service Fund; and (E) and all other moneys which are properly available and are appropriated by the City Council to the Debt Service Fund. The Debt Service Fund will be maintained in the manner herein specified until all of the Bonds and the interest thereon will have been fully paid. The Finance Director will report to the City Council any current or anticipated deficiency in the Debt Service Fund in the amount necessary to pay the principal of and interest on the Bonds when due. If a payment of principal or interest on the Bonds becomes due when there is not sufficient money in the Debt Service Fund to pay the same, the City Finance Director is directed to pay such principal or interest from other funds of the City, and such fund will be reimbursed for those advances out of the proceeds of Assessments and Taxes when collected.

(b) Construction Fund. The City hereby creates the General Obligation Improvement Bonds, Series 2022A Construction Fund (the "Construction Fund") to be administered and maintained by the Finance Director as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The proceeds of the Bonds, less the appropriations made in Section 4.01(a), together with the Assessments collected during the construction of the Improvements and any other funds appropriated for the Improvements will be deposited in a separate construction fund (the "Construction Fund") to be used solely to defray expenses of the Improvements and the payment of principal and interest on the Bonds prior to the completion and payment of all costs of the Improvements. Any balance remaining in the Construction Fund after completion of the Improvements and payment of the costs thereof, may be used to pay the cost in whole or in part of any other improvement instituted under the Act under the direction of the City Council or may be used as provided in Minnesota Statutes, section 475.65. Thereafter, the Construction Fund is to be closed and any remaining balances therein and subsequent collections of Assessments for the Improvements and any Taxes are to be deposited in the Debt Service Fund.

4.02. Covenants. The City hereby covenants with the holders from time to time of the Bonds as follows:

(a) The City has caused or will cause the Assessments for the Improvements to be promptly levied so that the first installment will be collectible not later than 2022 and will take all steps necessary to assure prompt collection, and the levy of the Assessments is hereby authorized. The City Council will cause to be taken with due diligence all further actions that are required for the construction of each Improvement financed wholly or partly from the proceeds of the Bonds, and will take all further actions necessary for the final and valid levy of the Assessments and the appropriation of any other funds needed to pay the Bonds and interest thereon when due.

(b) In the event of any current or anticipated deficiency in the Assessments and Taxes, the City Council will levy additional ad valorem taxes in the amount of the current or anticipated deficiency.

(c) The City will keep complete and accurate books and records showing: receipts and disbursements in connection with the Improvements, Assessments and Taxes levied therefor and other funds appropriated for their payment, collections thereof and disbursements therefrom, monies on hand and, the balance of unpaid Assessments.

(d) The City will cause its books and records to be audited at least annually and will furnish copies of such audit reports to any interested person upon request.

(e) At least 20% of the cost to the City of the Improvements described herein has been or will be specially assessed against benefited properties.

4.03. Pledge of Taxes. For the purpose of paying the principal of and interest on the Bonds, there is levied a direct annual irrevocable ad valorem tax upon all of the taxable property in the City, which will be spread upon the tax rolls and collected with and as part of other general taxes of the City. The taxes will be

credited to the Debt Service Fund above provided and will be in the years (being each year of collection) and amounts as set forth in **Exhibit C**. The tax levies will be irrevocable so long as any of the Bonds are outstanding and unpaid, provided that the City reserves the right to reduce the levies in the manner and to the extent permitted by Section 475.61, subdivision 3 of the Act, and the County Auditor will thereupon reduce the levy collectible during such year by the amount so certified.

4.04. Certification to County Auditor as to Debt Service Fund Amount. It is hereby determined that the estimated collections of Assessments and the foregoing Taxes will produce at least 5% in excess of the amount needed to meet when due the principal and interest payments on the Bonds.

4.05 County Auditor Certificate as to Registration. If no Certificate of Intent is filed in accordance with Section 7.04(j) of the City Charter within 15 days after adoption of this resolution, the Administrator is hereby directed to file a certified copy of this resolution with the County Auditor of Kandiyohi County, Minnesota, together with such other information as he or she shall require, and to obtain the County Auditor's certificate that the Bonds have been entered in the County Auditor's Bond Register, and the tax levy has been made as required by Section 475.63 of the Act.

4.06. General Obligation Pledge. For the prompt and full payment of the principal of and interest on the Bonds, as the same respectively become due, the full faith, credit and taxing powers of the City will be and are hereby irrevocably pledged. If the balance in the Debt Service Fund is ever insufficient to pay all principal and interest then due on the Bonds and any other bonds payable therefrom, the deficiency will be promptly paid out of monies in the general fund of the City which are available for such purpose, and such general fund may be reimbursed with or without interest from the Debt Service Fund when a sufficient balance is available therein.

Section 5. Authentication of Transcript.

5.01. City Proceedings and Records. The officers of the City are authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Bonds, certified copies of proceedings and records of the City relating to the Bonds and to the financial condition and affairs of the City, and such other certificates, affidavits and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of the Bonds and such instruments, including any heretofore furnished, may be deemed representations of the City as to the facts stated therein.

5.02. Certification as to Official Statement. The Mayor, City Administrator and Finance Director or any of them are authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the Official Statement is, as of the date thereof, a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement.

5.03. Other Certificates. The Mayor, City Finance Director and City Administrator, or any of them, are hereby authorized and directed to furnish to the Purchaser at the closing such certificates as are required as a condition of sale. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the City or incumbency of its officers, at the closing the Mayor and the City Administrator, or any of them, shall also execute and deliver to the Purchaser a suitable certificate as to absence of material litigation, and the City Administrator shall also execute and deliver a certificate as to payment for and delivery of the Bonds.

5.04. Electronic Signatures. The electronic signature of the Mayor, City Finance Director and/or the City Administrator, or any of them, to this resolution and to any certificate authorized to be executed hereunder shall be as valid as an original signature of such party and shall be effective to bind the City thereto. For purposes hereof, (i) "electronic signature" means (a) a manually signed original signature that is then transmitted by electronic means or (b) a signature obtained through DocuSign or Adobe or a similarly digitally auditable signature gathering process; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message.

Section 6. Tax Covenants.

6.01 Tax-Exempt Bonds. The City covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees, or agents any action which would cause the interest on the Bonds to become subject to taxation under the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations promulgated thereunder, in effect at the time of such actions, and that it will take or cause its officers, employees or agents to take, all affirmative action within its power that may be necessary to ensure that such interest will not become subject to taxation under the Code and applicable Treasury Regulations, as presently existing or as hereafter amended and made applicable to the Bonds. The City will comply with all requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments, and limitations on amounts invested at a yield greater than the yield on the Bonds.

6.02. Rebate. The City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code, including without limitation (1) requirements relating to temporary periods for investments, (2) limitations on amounts invested at a yield greater than the yield on the Bonds, and (3) the rebate of excess investment earnings to the United States unless the Bonds qualify for an exception to the rebate requirement under the Code and related Treasury Regulations.

6.03. Not Private Activity Bonds. The City further covenants not to use the proceeds of the Bonds or the Improvements financed by the Bonds, or to cause or permit them or any of them to be used, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

6.04. Qualified Tax-Exempt Obligations. In order to qualify the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, the City makes the following factual statements and representations:

- (a) the Bonds are not "private activity bonds" as defined in Section 141 of the Code;
- (b) the City hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;
- (c) the reasonably anticipated amount of tax-exempt obligations (other than any private activity bonds that are not qualified 501(c)(3) bonds which will be issued by the City (and all subordinate entities of the City) during calendar year 2022 will not exceed \$10,000,000; and
- (d) not more than \$10,000,000 of obligations issued by the City during calendar year 2022 have been designated for purposes of Section 265(b)(3) of the Code.

6.05. Procedural Requirements. The City will use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designations made by this section.

Section 7. Book-Entry System; Limited Obligation of City.

7.01. DTC. The Bonds will be initially issued in the form of a separate single typewritten or printed fully registered Bond for each of the maturities set forth in Section 2.04 hereof. Upon initial issuance, the ownership of each Bond will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns (DTC). Except as provided in this section, all of the outstanding Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

7.02. Participants. With respect to Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the City, the Registrar and the Paying Agent will have no responsibility or obligation to any broker dealers, banks and other financial institutions from time to time for

which DTC holds Bonds as securities depository (the "Participants") or to any other person on behalf of which a Participant holds an interest in the Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person (other than a registered owner of Bonds, as shown by the registration books kept by the Registrar,) of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Bonds, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The City, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bonds, for the purpose of registering transfers with respect to such Bond, and for all other purposes. The Paying Agent will pay all principal of, premium, if any, and interest on the Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments will be valid and effectual to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Bonds, as shown in the registration books kept by the Registrar, will receive a certificated Bond evidencing the obligation of this resolution. Upon delivery by DTC to the City Finance Director of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words "Cede & Co.," will refer to such new nominee of DTC; and upon receipt of such a notice, the City Administrator will promptly deliver a copy of the same to the Registrar and Paying Agent.

7.03. Representation Letter. The City has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations (the "Representation Letter") which will govern payment of principal of, premium, if any, and interest on the Bonds and notices with respect to the Bonds. Any Paying Agent or Registrar subsequently appointed by the City with respect to the Bonds will agree to take all action necessary for all representations of the City in the Representation Letter with respect to the Registrar and Paying Agent, respectively, to be complied with at all times.

7.04. Transfers Outside Book-Entry System. In the event the City, by resolution of the City Council, determines that it is in the best interests of the persons having beneficial interests in the Bonds that they be able to obtain Bond certificates, the City will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Bond certificates. In such event the City will issue, transfer and exchange Bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this Resolution. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the City will issue and the Registrar will authenticate Bond certificates in accordance with this resolution and the provisions hereof will apply to the transfer, exchange and method of payment thereof.

7.05. Payments to Cede & Co. Notwithstanding any other provision of this Resolution to the contrary, so long as a Bond is registered in the name of Cede & Co., as nominee of DTC, payments with respect to principal of, premium, if any, and interest on the Bond and notices with respect to the Bond will be made and given, respectively in the manner provided in DTC's Operational Arrangements, as set forth in the Representation Letter.

Section 8. Continuing Disclosure.

8.01. Execution of Continuing Disclosure Certificate. "Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate executed by the Mayor and City Administrator and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

8.02. City Compliance with Provisions of Continuing Disclosure Certificate. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Resolution, failure of the City to comply with the Continuing Disclosure Certificate will not be considered an event of default with respect to the Bonds; however, any Bondholder may take

such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this section.

Section 9. Defeasance. When the Bonds (and all accrued interest thereon have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holders of the Bonds will cease, except that the pledge of the full faith and credit of the City for the prompt and full payment of the principal of and interest on the Bonds will remain in full force and effect. The City may discharge the Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full or by depositing irrevocably in escrow, with a suitable institution qualified by law as an escrow agent for this purpose, cash or securities which are backed by the full faith and credit of the United States of America, or any other security authorized under Minnesota law for such purpose, bearing interest payable at such times and at such rates and maturing on such dates and in such amounts as shall be required and sufficient, subject to sale and/or reinvestment in like securities, to pay said obligation(s), which may include any interest payment on such Bond and/or principal amount due thereon at a stated maturity (or if irrevocable provision shall have been made for permitted prior redemption of such principal amount, at such earlier redemption date). If any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

Passed and adopted this 18th day of July, 2022.

/s/ Marv Calvin
MAYOR

Attest:

/s/ Leslie Valiant
CITY ADMINISTRATOR

RESOLUTION NO. 2022-108

RESOLUTION APPROVING THE LEASE AGREEMENT FOR COUNTRY MUSIC FESTIVAL 2022

Motion By: Fagerlie

Second By: Asmus

BE IT RESOLVED by the City Council of the City of Willmar, a Municipal Corporation of the State of Minnesota, that the Mayor and City Administrator of the City of Willmar are hereby authorized to approve the lease agreement with Studio 38, LLC for Country Music Festival 2022.

Dated this 18th day of July, 2022

/s/ Marv Calvin
MAYOR

Attest:

/s/ Leslie Valiant
CITY ADMINISTRATOR

RESOLUTION NO. 2022-109

AUTHORIZATION TO EXECUTE AGREEMENT WITH WILLMAR SCHOOL DISTRICT NO. 347 FOR SCHOOL RESOURCE OFFICERS

Motion By: Fagerlie

Second By: Asmus

BE IT RESOLVED by the City Council of the City of Willmar, a municipal corporation of the State of Minnesota, that the Mayor and City Administrator be authorized to enter into an agreement between the City of Willmar and Willmar School District No. 347 for providing School Resource Officers.

Dated this 18th day of July, 2022

/s/ Marv Calvin
MAYOR

Attest:

/s/ Leslie Valiant
CITY ADMINISTRATOR